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USDOC FOR 532/OEA/LHINES/ADYSON  
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR PATRICK SANTILLO  
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A

TAGS: [BMGT](#) [BEXP](#) [HK](#) [ETRD](#) [ETTC](#)

SUBJECT: EXTRANCHECK: POST SHIPMENT VERIFICATION: EDAL ELECTRONICS  
CO LTD

REF: A) HK 00379 (2009) B) BIS e-mail dated May 26, 2009

1. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

2. As per reftel B request and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Export Control Officer Philip Ankel (ECO) conducted a post shipment-verification (PSV) at Edal Electronics Co. Ltd., No. 17, Wang Chiu Road 6/F, Continental Industrial Building, Hong Kong (Edal). The items in question for this PSV are various semiconductors exported to Edal on or about May 1, 2008 and May 21, 2008. On the applicable shippers export declaration (SED), the May 1, 2008 shipment items are classified under export control classification number (ECCN) 3A001 and, if properly classified, would be controlled for national security (NS) reasons. Based on documentation provided by the exporter, it appears that these items are of the class that may be exported license free to Hong Kong, but would require a license for export or reexport to mainland China because of their ability to function at extreme temperatures (ECCN 3A001a2c). The applicable shippers export declaration (SED) for the May 21, 2008 shipment does not include a classification for the items meaning that they are likely EAR99 and eligible for shipment to virtually all destinations and end-uses/users worldwide. The exporter for both shipments was Rochester Electronics LLC of Newburyport, Massachusetts.

3. Background information concerning Edal is provided in reftel A and is therefore not repeated herein.

4. On June 3, 2009, ECO visited Edal and met with Jean Yun, Senior Sales Executive. She was also the person that ECO met in January 2009 (that meeting is described in reftel A). Ms. Yun provided documentation concerning the May 21st shipment. In particular, she provided a purchase order from Hong Kong company Leron International (H.K.) Ltd. (Leron), Rm. 204C, 2/F, Lai Cheung Factory Building, 479-479A Castle Peak Road, Hong Kong (with telephone 852-2959-3601 and fax 852 2959-3069). The end user statement completed by Edal on Leron's behalf lists the China Aviation Industry 631 Institute as the end user in this transaction.

5. According to the Hong Kong Companies Registry, Leron has been in existence since 2003. It has the Hong Kong equivalent of USD 130 in share capital. Mainland China nationals Cai, Lihong (PP#432322791102262) and Zhao, Jianjun (PP# G00205618) are listed as directors. Leron does not appear to have a web presence.

6. Another company, Ralco International Limited, is co-located with Leron. It has less than the Hong Kong equivalent of one USD in share capital. Its directors include Zhao Jin (likely the same person as Zhao Jianjun listed above) and Indian national Roy, Rashmi (Indian passport number P-414913). Ralco has a web presence and is an electronic components distributor ([www.ralcohk.com](http://www.ralcohk.com)).

¶7. According to information independently obtained by ECO from Arrow Electronics, Ralco purchased ECCN 3A001a2c electronic components from Arrow in 2008.

¶8. As to the May 1, 2007 shipment, documentation provided by Ms. Yun confirms that the items in this shipment were sold to G&L Co. for ultimate consignee Tai Chung Electronics Ltd. in Taiwan. As noted in reftel A, ECO views it as unlikely that the true customer is, in fact, Tai Chung or G&L.

¶9. As noted in reftel A, ECO recommends further outreach to Rochester Electronics to ascertain its knowledge of these transactions (and, in particular, the transaction involving G&L) and to encourage it to police its distributors more closely. ECO also recommends a close review of any shipments to Ralco and Leron as well as their respective addresses. ECO notes that Rochester shipments have been the subject of multiple unfavorable end use checks implicating similar products and similar procurement tactics.